

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

Periodic Reporting
(Proposal Seven)

Docket No. RM2019-12

CHAIRMAN'S INFORMATION REQUEST NO. 3

(Issued November 25, 2019)

To clarify the Postal Service's petition to consider proposed changes in analytical principles, filed August 23, 2019, the Postal Service is requested to provide written responses to the following questions.¹ Answers to each question should be provided as soon as they are developed, but no later than December 3, 2019.

1. In its response to CHIR No. 2, the Postal Service states that "when looking at lower [Cost Ascertainment Groups (CAGs)], especially CAG group H, the [Time and Attendance Collection System (TACS)] hours and accounting dollars are not clearly aligned as they are in larger CAGs."²
 - a. Please explain why the TACS hours and accounting dollars of smaller CAGS "are not clearly aligned as they are in larger CAGs." *Id.*
 - b. Please specify which office CAG groups are not aligned with accounting dollars.
2. The Postal Service states that, under the current methodology, "total costs for supervisors are determined from accounting systems, the share of that total

¹ Petition of the United States Postal Service for the Initiation of a Proceeding to Consider Proposed Changes in Analytical Principles (Proposal Seven), August 23, 2019 (Petition). The following were filed on August 23, 2019, in support of the Petition: Library Reference USPS-RM2019-12/1, Public Material Relating to Proposal Seven, Library Reference USPS-RM2019-12/NP1, Nonpublic Material Relating to Proposal Seven.

² Responses of the United States Postal Service to Questions 1-6 of Chairman's Information Request No. 2, October 18, 2019, question 1.b.i. (Response to CHIR No. 2).

consisting of the costs for supervisors at customer service offices on Sundays and holidays is determined by sampling from the [In-Office Cost System (IOCS).” Petition, Proposal 7 at 1. The Postal Service states that the costs for higher level supervisors (IOCS activity code “7631”) are automatically coded in the IOCS. Response to CHIR No. 2, question 5.c. Both the current and proposed methodologies’ IOCS SAS data sets contain records for higher level supervisors costs, coded to a Sunday.³

- a. Please explain how higher level supervisors costs are identified in the IOCS. If this differs between the current and proposed methodologies, please explain how.
 - b. Please explain how the higher level supervisors costs are derived for Sundays/holidays and other days in the IOCS. If this differs between the current and proposed methodologies, please explain how.
 - c. Please explain the reason(s) why the higher level supervisors costs identified as “Sunday” in the IOCS variable “F18” are not included in the Sunday/holidays costs (IOCS activity code “7720”) under the proposed methodology.⁴
3. Please refer to the workbook containing the IOCS adjustment factors calculated at the CAG/finance group level provided with Response to CHIR No. 2, question

³ IOCS records with activity code in variable F262=“7631” and variable F18=‘2’. See Docket No. ACR2018, Library Reference USPS-FY18-37, December 28, 2018, folder “USPS-FY18-37.IOCS.zip,” folder “USPS-FY18-37,” folder “Data,” SAS file “prcpub18.sas;” Library Reference USPS-RM2019-12/1, August 23, 2019, folder “usps_rm2019-12_1.zip, folder “Prop.7.Public.Fldr.1.Files.zip,” folder “Filing_Final,” folder “Data,” SAS file PRCPub18.cw.sas.” A data dictionary describing the IOCS variables is in Docket No. ACR2018, Library Reference USPS-FY18-37, folder “USPS-FY18-37.IOCS.zip,” Excel file “IOCSDataDictionaryFY18.xlsx.”

⁴ The Postal Service states that the share of costs corresponding to supervisors at delivery units on Sundays and holidays will be represented by a new IOCS activity code 7720. Petition, Proposal Seven at 2.

1.c.⁵ Please confirm that the workhours used to wage-adjust costs align with the IOCS-adjusted CAG groups.⁶ If not confirmed, please explain.

By the Chairman.

Robert G. Taub

⁵ See Excel file “Prop7.ChIR2Resp.Q1c.xlsx.”

⁶ See Docket No. RM2018-5, Responses of the United States Postal Service to Questions 1-13, 15-17 of Chairman’s Information Request No. 4, September 5, 2018, questions 2.a., 9.